DOCUMENT RESUME

ED 175 349 HE 011 658

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TITLE Statement By Alfred L. Moye, Deputy Commissioner, Bureau of Higher and Continuing Education Before the Subcommittee on Postsecondary Education.
PUB DATE Mar 79
NOTE 23p.

EDRS PRICE MF01/PC01 Plus Postage.
DESCRIPTORS Curriculum Development; Educational Economics; Eligibility; Faculty Development; *Federal Aid; *Federal Legislation; Federal Programs; Financial Support; *Higher Education; *Historical Reviews; Institutional Characteristics; Program Development; Resource Allocations; Statistical Analysis; Student Financial Aid
IDENTIFIERS *Developing Institutions; *Higher Education Act 1965 Title III

ABSTRACT

Title III of the Higher Education Act of 1965, Strengthening Developing Institutions, is discussed in this presentation to the House Subcommittee on Postsecondary Education. The history of the Title from its inception is traced. Designed to strengthen the academic quality of financially weak institutions, Title III is viewed as a reflection of the social context of higher education in the mid 1960's. The Federal government recognized the need to aid the development of curriculum, faculty, administration, and student services in struggling institutions. Title III authorizes financial assistance for four types of activities: (1) increasing administrative efficiency; (2) faculty development; (3) curriculum improvement; and (4) improvement of student services. Eligibility requirements of Title III, and the resource sharing and cooperative arrangements between institutions are detailed. Two divisions were formed in 1973 to more effectively deal with the variety of eligible institutions seeking aid. The Basic and Advanced programs are explained. The funding history of the Title, application procedure, and selection process are also discussed. Statistical aspects are tabulated in Appendix A and examples of successful Title III projects are found in Appendix B. (SF)

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Office of Education
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Before the
Subcommittee on Postsecondary Education
Committee on Education and Labor
House of Representatives
Thursday, March 29, 1979

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HE 011 658

Dear Mr. Chairman:

It is a pleasure to meet with your subcommittee this morning to discuss the operation of Title III of the Higher Education Act of 1965, Strengthening Developing Institutions.

Title III of the Higher Education Act of 1965, the Strengthening Developing Institutions Program, was designed to strengthen the academic quality of colleges which are financially weak and are "isolated from the main currents of academic life." This Title was a reflection of the social context of higher education in the mid-1960's. Burgeoning college enrollments had overtaxed a system of programs, buildings, and facilities which could not expand quickly enough to meet the demand for higher education. Institutions responded by increasing class size and teaching loads, and by creating new academic programs and degree offerings, sometimes with more attention to quantity served than to quality delivered. Concerned by the unevenness of quality among institutions, President Johnson, in his education message of January, 1965, emphasized the need "to help small and less well-developed colleges improve their programs," and Commissioner Keppel testified that small colleges should be assisted to improve the quality of their educational offerings. Thus, there was clear recognition by the Federal government of the need to strengthen the curriculum, faculty, administration, and student services of institutions that were characterized by the law as "developing," and Title III was created.

The statute creating this program authorizes awards to be made for four core types of activities. Funds may be used for projects which increase administrative efficiency, such as designing management information systems or initiating an institutional research program. They may also be used for faculty development, including retraining or the upgrading of a faculty

members academic qualifications. Funds are also awarded for projects in curriculum improvement, such as developing new courses or redesigning an entire academic program. The fourth type of activity which the statute permits us to fund is the improvement of student services. Projects funded under this category include developmental learning programs, learning resource centers, and career exploration and placement services.

The program uses resource sharing and cooperative arrangements between the developing institution and a "mainstream" college or an agency, organization, or business entity which specializes in providing technical assistance to colleges. The law requires that each developing institution which receives an award have at least one such cooperative arrangement. Many of the institutions have two or more cooperative relationships with other institutions or agencies, and several of the developing institutions funded by Title III have formed consortia to pool their resources and to share the technical assistance received from cooperating agencies.

In 1973, the Developing Institutions Program was split administratively into the Basic and Advanced programs. The goals of the Basic Program were to attempt to strengthen the smaller, weaker institutions, in order to prepare them for participation in the Advanced Program. The Advanced Program awarded larger, multi-year grants to institutions which had participated in the Basic Program and were now prepared to focus on long-range development goals.

The funding history of Title III shows an initially small program of $5,000,000 in FY 1966. The next year, funding jumped to $30,000,000, and in succeeding years the program grew rapidly to its authorization ceiling of $120,000,000 between 1971 and 1978.

PROGRAM FUNDING HISTORY
(figures in thousands)

Fiscal Year	Authorization	Appropriation
1966	$55,000	$ 5,000
1967	30,000	30,000
1968	55,000	30,000
1969	35,000	30,000
1970	70,000	30,000
1971	91,000	33,850
1972	91,000	51,850
1973	120,000	87,350
1974	120,000	100,000
1975	120,000	110,000
1976	120,000	110,000
1977	120,000	110,000
1978	120,000	120,000
1979	120,000	120,000

For further detail on the statistical aspects of Title III, we have included Appendix A. Appendix B gives illustrations of several different types of projects under this Title.

Institutions which wish to receive Title III funds must pass a two-step application process. First, the institution must meet certain eligibility criteria before being permitted to submit an application for funding. All institutions must have been accredited for the five years preceding the year of application, except for institutions which are located on or near an Indian reservation or a substantial population of Native Americans, or those serving substantial numbers of Hispanic students. An institution must be a four year baccalaureate-granting college or a junior or community college in order to receive funds.

Through FY 1978, an institution's eligibility as a developing institution was evaluated on the basis of eight quantitative factors and three qualitative factors. Quantitative factors included full-time equivalent enrollment, percent of faculty with Masters degrees, average faculty salary, percent of

students from low-income families, and several measures of institutional financial strength, among others. Qualitative factors included the retention rate of students and their rate of entrance into graduate school, the quality of an institution's administrative and professional personnel, and a measure of the institution's financial "vitality."

During Fiscal Year 1979, new regulations have been adopted which will consolidate the Basic and Advanced Programs into a single program, and will change the eligibility criteria. Because the eight quantitative and three qualitative criteria previously used were not successful in identifying institutions which the program was designed to strengthen, two new quantitative criteria will replace the old measures, resulting in a simpler and more clear-cut eligibility process.

An institution will be evaluated upon the size of its average Basic Educational Opportunity Grant (BEOG) award per full-time undergraduate enrollment. This criterion is a measure of the institution's service to low-income students, and is given double weight. The second criterion is the institution's cost per student in educational and general expenditures, which is a measure of the institution's financial health. The change in the eligibility criteria will not reduce the number of institutions eligible to apply for Title III funds, but the eligibility status of some individual institutions will change.

In order to ease the transition process between the former and the new regulations, all institutions which received Title III funds in FY 1978 are being permitted to apply in 1979 irrespective of their ability to meet the eligibility criteria. These institutions will compete equally with the institutions who did meet the eligibility criteria.

Once an institution has been found to meet the criteria for eligibility as a developing institution, it must then go through the competitive proposal review process. The institution submits a proposal which is evaluated by a panel of field readers. The field readers are persons knowledgeable about higher education in general and about developing institutions in particular, and include a cross section of ethnic and minority groups and geographic regions. The readers are selected from colleges and universities and from professional education agencies, assisting agencies and businesses, and include both faculty and administrators. Review teams are balanced in terms of the individuals' knowledge of and sensitivity to the needs of colleges serving low-income and minority students, knowledge of planning, management, and evaluation systems, familiarity with small college administration, and background in development of curriculum and new career programs. Field readers are asked to evaluate proposals against several specific criteria, among which are how the proposed project will serve the needs of the institution, and the extent to which the institution meets the needs of its constituents. Special institutional abilities to serve large percentages of disadvantaged students or to provide access to students otherwise unable to attend college are considered, as are exceptional educational programs. Proposals which will contribute to the long-term stability of the institution also receive careful consideration.

Proposals are ranked in order of the scores received during the review process, and funds are distributed on the basis of this ranking. Two year colleges, however, may receive not more than 24% of the program funds. In fiscal year 1978, program funds were distributed in the following manner:

	Basic	Advanced
Four Year Colleges	$39,520,000	$51,680,000
Two Year Colleges	12,480,000	16,320,000
Funds to Hispanic Institutions	3,612,000	2,274,000
Funds to Black Institutions	23,190,000	42,700,000
Funds to Native American Institutions	4,070,000	-0-

The awards data above demonstrate the commitment of the Office of Education, through the Title III program, to assist those institutions which offer access for substantial numbers of minority and disadvantaged students. Since the program's inception, nearly $850 million has been awarded to developing institutions to help them strengthen their academic programs, their student services, and the quality of their teaching and administrative personnel.

Although Title III funds have represented a small percentage of an institution's operating budget, funded projects have assisted these institutions in a number of ways. For example, a Title III grant enabled one liberal arts college to completely transform its traditional curriculum into a competency-based course of study. Many institutions use Title III funds to provide opportunities for cultural enrichment and basic skills development to their students. Still other Title III grantees have entered cooperative arrangements with larger "mainstream" colleges and universities to improve faculty qualifications and to increase their students' success in going on to graduate school. Other grantee institutions have used Title III funds to develop extensive personal, academic, and career counseling programs whose aim is to enable students to remain in college and to complete their degrees. The range of worthwhile activities from which these institutions have benefitted is broad, and Title III funds have enabled these institutions to better serve their students by providing quality education and specially designed support services while maintaining low tuition and increased access.

Many complex matters must be addressed in reauthorization of the Developing Institutions Program. The Office of Education is presently weighing several alternatives, and has received a substantial number of suggestions from outside organizations and agencies. The Department and the Administration will be providing you in the near future specific legislative recommendations for the Title III program.

Appendix A

STATISTICAL DATA ON TITLE III, STRENGTHENING DEVELOPING INSTITUTIONS

Title III, Strengthening Developing Institutions, Basic Institutional Development Program
P.L. 89-329, Higher Education Act of 1965 (as amended)
Division of Institutional Development

Title III is an institutional support program whose purpose is to strengthen developing colleges through funding programs in faculty growth, curriculum improvement, administrative development, and student services. Characteristically, the developing institutions are limited in their ability to attract students, to engage outstanding faculty, to offer diverse curricula and to acquire adequate financial resources. Grants are made to institutions to help them to overcome these handicaps and to develop the basic strengths needed to attain secure status and National visibility. The broad objectives of Title III enable an institution to build the firm foundation from which to launch a major effort in total development.

Of the annual appropriation, 76% is allotted to four-year, degree granting institutions and 24% to institutions with two-year programs. Awards are made on the basis of proposal merit. The National Advisory Council on Developing Institutions assists in the administration of the program. Assurances must be given that Federal funds will be used to supplement, not supplant institutional effort.

Under the Education Amendments of 1972, the five-year requirement for eligibility can be waived by the Commissioner for institutions located on or near an Indian reservation or a substantial population of Indians and/or other native Americans as such action will increase higher education for these minority groups. The Education Amendments of 1974 authorize the Commissioner to waive three years of the five-year eligibility requirement for institutions, if the Commissioner determines that such a waiver will substantially increase educational opportunities for Spanish-speaking people.

In FY 1973, the Title III program was divided into two areas: the Basic Institutional Development Program (BIDP) and the Advanced Institutional Development Program (AIDP). 1/

Funding ($ in thousands)	FISCAL YEAR									
	1965	1966	1967	1968	1969	1970	1971	1972	1973	1974
Authorization 2/	0	$55,000	$30,000	$55,000	$35,000	$70,000	$91,000	$91,000	$120,000	$120,000
Appropriation 3/	0	5,000	30,000	30,000	30,000	30,000	33,850	51,850	4/51,850	51,992
Obligation 3/	0	5,000	30,000	30,000	30,000	30,000	33,850	51,850	4/51,850	51,992

1/ For information on the Advanced Institutional Development Program see page 5.
2/ Authorization is for both Basic and Advanced Program.
3/ Appropriation and Obligation is for Basic Program only.
4/ In addition, a supplemental appropriation of $35.5 million was passed to support those developing institutions with the greatest comparative degree of financial, academic, and institutional strength judged to be best able to absorb and use increased funds to move toward their institutional objectives in accordance with a carefully designed long-range institutional plan. During December, awards were made to 28 developing institutions under this element of the Title III program.

Title III, Strengthening Developing Institutions/Basic Institutional Development Program
Division of Institutional Development

Funding ($ in thousands)	FISCAL YEAR									
	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984
Authorization 1/	$120,000	$120,000	$120,000	$120,000						
Appropriation 2/	52,000	52,000	52,000	52,000						
Obligation 2/	52,000	52,000	3/ 52,476	52,000						

1/ Authorization is for both Basic and Advanced Program.
2/ This figure represents the portion alloted to the Basic Program from a total Title III appropriation of $110,000.
3/ An additional $476,440 was received from OE reprogrammed money to make the new total obligated funds - $52,476,440.

Title III, Strengthening Developing Institutions, Basic

OUTPUT MEASURES	FISCAL YEAR 1966	1967	1968	1969	1970	1971	1972	1973	1974
Amount of Program Funds Requested (in thousands)	$32,250	$56,792	$113,925	$95,187	$85,434	$105,048	$143,000	$220,000	$198,000
Number of Proposals Submitted	310	560	500	464	433	441	456	470	511
Number of Grantee Developing Institutions	127	411	220	229	227	198	226	235	215
Other Non-Grantee Participating Institutions	31	55	148	186	215	307	330	232	139
Total Developing Institutions Benefitting from Title III Funds	158	466	368	415	442	505	556	467	354
Number of Assisting Institutions, Agencies, and Businesses	75	221	159	189	207	204	286	315	341
Number of Teaching Fellowships Awarded									
Cooperative Arrangement	164	836	689	640	646	541	635	354	524
Unilateral Fellowships	99	678	38	15	3	0	0	0	0
Total	263	1,514	727	655	649	541	635	354	524
Number of Professors Emeriti Awarded	1/	1/	1/	1/	56	64	73	45	59
Amount of Program Funds Awarded to Black Colleges (in thousands)	$3,054	$12,269	$14,419	$15,828	$17,026	$19,842	$30,994	$30,658	$29,620
Amount of Program Funds Awarded to Spanish-Speaking Programs (in thousands)	2/	2/	2/	2/	2/	$1,613	$2,816	$3,556	$3,812
Amount of Program Funds Awarded for American Indian Programs (in thousands)	2/	2/	2/	2/	2/	$943	$1,970	$3,166	$3,517

1/ The Higher Education Amendments of 1968 added this component to the program. Awards were first made in FY 1970.

2/ Data on awards made to Spanish-speaking programs and American Indian programs were not collected before FY 1971.

Title III, Strengthening Developing Institutions, Basic

OUTPUT MEASURES	FISCAL YEAR 1975	1976	1977	1978	1979	1980	1981	1982	1983
Amount of Program Funds Requested (in thousands)	$222,000	$196,000	$184,000	$172,000					
Number of Proposals Submitted	491	431	410	415					
Number of Grantee Developing Institutions	207	203	190	238					
Other Non-Grantee Participating Institutions	230	232	229	2/					
Total Developing Institutions Benefitting from Title III Funds	437	435	419	2/					
Number of Assisting Institutions, Agencies, and Businesses	259	328	317	2/					
Number of Teaching Fellowships Awarded									
Cooperative Arrangement	461	362	1/	2/					
Unilateral Fellowships	0	0							
Total	461	362							
Number of Professors Emeriti Awarded	48	38	1/	2/					
Amount of Program Funds Awarded to Black Colleges (in thousands)	$26,815	$25,450	$25,397	$23,190					
Amount of Program Funds Awarded to Spanish-Speaking Programs (in thousands)	$4,336	$5,146	$4,861	$3,612					
Amount of Program Funds Awarded for American Indian Programs (in thousands)	$3,606	$4,231	$4,231	$4,070					

1/ Data not collected in 1977.
2/ Data not available at this time.

Title III, Strengthening Developing Institutions/Advanced Institutional Development Program 1/
P.L. 89-329, Higher Education Act of 1965 (as amended)
Division of Institutional Development

The Advanced Institutional Development Program (AIDP) provides assistance to developing institutions of higher education which are felt to be more advanced than those in the Basic Institutional Development Program. Multi-year (3-5) awards are made to promote innovative projects and special purpose programs, and to assist in the attainment of financial self-sufficiency in order to accelerate development among the relatively highly developed colleges.

The basic rationale underlying the AIDP was the belief that certain institutions could be accelerated in their developmental process by a significant, short-term infusion of funds. Thus, AIDP is more oriented toward the support of comprehensive institutional development than is the Basic Institutional Development Program, and emphasizes the institution's developing capabilities for comprehensive planning, institutional management, and evaluation.

Institutions may participate as direct grantees. Grants are awarded competitively to applicants on the basis of realistic long-range plans for development. Applications are reviewed by a group of professional consultants, drawn from the Nation's academic community, who are experts in their knowledge of the problems and needs of the developing institutions which Title III is designed to serve.

Funding ($'s in thousands)	F I S C A L Y E A R								
	1973	1974	1975	1976	1977	1978	1979	1980	1981
Authorization	$120,000	$120,000	$120,000	$120,000	$120,000	$120,000			
Appropriation	87,350	100,000	110,000	110,000	110,000	120,000			
Allocation	35,500	48,000	58,000	58,000	58,000	68,000			
Obligation	35,500	48,000	58,000	58,000	58,000	68,000			

1/ In FY 1973, the Administration developed a new initiative to encourage the accelerated development of fewer institutions with larger grants than had been previously awarded. The Advanced Institutional Development Program was a result of this decision.

Title III, Strengthening Developing Institutions, Advanced

OUTPUT MEASURES	FISCAL YEAR						
	1973	1974	1975	1976	1977	1978	1979
Amount of Program Funds Requested (in thousands)	$336,554	$400,387	$318,997	$314,577	$281,374	$348,441	
Number of Developing Institutions Aided	28	36	61	32	89	54	
Amount of Program Funds Awarded to Black Colleges (in thousands)	$23,380	$29,075	$29,228	$29,130	$23,789	$42,700	
Amount Awarded to Spanish-Speaking Programs (in thousands)	$2,220	$3,620	$3,610	$1,200	$3,707	$2,274	
Amount Awarded to American Indian Programs (in thousands)	$791	-0-	$248	$161	$ 20	-0-	

Appendix B

EXAMPLES OF SUCCESSFUL TITLE III PROJECTS

Livingstone College, a private four-year predominantly Black institution in North Carolina, has used Title III funds to develop a Comprehensive Basic Skills Activity. The Basic Skills Activity is designed to improve the reading, writing, speaking and computation skills of entering freshman. The college concentrates on the Freshman year and part of the Sophomore year to build cognitive skills in order to strengthen academic programs and to provide a successful educational experience for low-income and minority students. The Basic Skills activity has enabled the college to reduce student attrition rates, revise teaching methodologies, revise the general education curriculum requirements, and improve student self concepts.

Greensboro Regional Consortium, includes three private liberal arts institutions, Greensboro College, Guilford College and Bennett College. The three colleges formed the consortium in 1968 and have sponsored the following types of activities: shared academic programs, curriculum development, faculty exchange, evaluation, student services, management planning and budgeting, library cooperation, and a joint summer school. The Consortium has been an effective arrangement for the three colleges to operate single programs in Music and Special Education. The greatest impact of Title III funding, however, has been in the area of administrative improvement. The National Association of College and University Business Officers model for planning and budgeting has been used on each campus. This has assisted each college in operating a balanced budget. In addition, an analysis of the cost of instruction on each campus has assisted in revising curricula and course offerings.

North Dakota State University-Bottineau Branch involvement with Title III resulted from cooperative planning with representatives of the Turtle Mountain Chippewa Tribe. The group granted authority to implement on-reservation higher education services incorporated by the Tribal Council as the Turtle Mountain Community College. To carry out this mandate, the Community College sought a bi-lateral arrangement with North Dakota State University-Bottineau whereby NDSU-Bottineau would provide the services, assisted by Turtle Mountain Community College and financed by Title III. The impact of the Turtle Mountain Enrichment Center, which was established as a result of this arrangement, has been multiple: (1) approximately 300 different Indian people who previously had no opportunity for higher education have successfully completed college courses; (2) a unique Indian/Reservation-Oriented academic program has been created; (3) a new resource for reservation development in the form of skilled and credentialled Indian professional educators available on the reservation on a day-to-day basis; and, (4) education programs can operate successfully on the reservation and still be responsive to their input.

Under the Advanced Institutional Development Program, Austin Peay State University, serves a fifteen county area in Middle Tennessee and Southern Kentucky, consisting mostly of small, agrarian communities of low-to-middle income families. Of particular note in its comprehensive program to strengthen the institution are a number of career and developmental education programs. These include: a career development program; a career business and professional program; a human services career program; and a developmental studies program which aims to increase the number of

low-income students selecting pre-professional and career oriented courses and to improve basic academic skills. The latter program has been particularly successful; it offers individualized study in a laboratory or workshop format. Student demand for this program has gone far beyond expectations.